

OFFICIAL STATEMENT

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS: See “Ratings” herein

*In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”): (1) the interest on Series 2014A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; (2) the interest on the Series 2014A Bonds is exempt from income taxation by the State of Kansas; and (3) the Series 2014A Bonds have **not** been designated as “qualified tax-exempt obligations” within the meaning of Code § 265(b)(3). See “TAX MATTERS – Opinion of Bond Counsel” in this Official Statement.*

CITY OF WICHITA, KANSAS
\$41,405,000
WATER AND SEWER UTILITY REFUNDING REVENUE BONDS
SERIES 2014A

Dated: August 1, 2014

Due: as shown on the inside cover

The above-referenced bonds (the “Series 2014A Bonds”) will be issued by the City of Wichita, Kansas (the “City” or Issuer”), as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2014A Bonds. Purchases of the Series 2014A Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). Purchasers will not receive certificates representing their interests in Series 2014A Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2014A Bonds, as nominee of DTC, references herein to the Series 2014A Bond owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Series 2014A Bonds. Principal will be payable at maturity or earlier redemption upon presentation and surrender of the Series 2014A Bonds by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and registrar (the “Paying Agent” and “Registrar”). Interest on each Series 2014A Bond will be payable on April 1 and October 1, commencing April 1, 2015 (the “Interest Payment Dates”) to the persons who are the registered owners of the Series 2014A Bonds as of the close of business on the fifteenth day (whether or not a business day) of the month of such interest payment date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Series 2014A Bonds, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Series 2014A Bonds, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The schedule of maturity and interest payment dates, interest rates, yields, redemption provisions and security for the Series 2014A Bonds are set forth herein.

The Series 2014A Bonds are special obligations of the City, payable solely from, and secured as to the payment of principal and interest by a pledge of the Net Revenues (as defined herein) derived from the operation of the City’s Water and Sewer Utility (the “Utility”) on a parity of lien with the Parity Indebtedness (as defined herein). THE SERIES 2014A SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE CITY NOR SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION, LIMITATION OR RESTRICTION, AND THE TAXING POWER OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE SERIES 2014A BONDS, EITHER AS TO PRINCIPAL OR INTEREST. See “THE SERIES 2014A BONDS – Security for the Series 2014A Bonds” herein.

The Series 2014A Bonds are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. Certain other legal matters will be passed on for the City by Gary E. Rebenstorf, Esq., Director of Law and City Attorney. It is expected that the Series 2014A Bonds will be available for delivery through the facilities of DTC in New York, New York on or about August 1, 2014.

MORGAN STANLEY & CO., LLC
NEW YORK, NEW YORK

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. “APPENDIX C – SUMMARY OF FINANCING DOCUMENTS” CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

MATURITY SCHEDULE

\$41,405,000

Water and Sewer Utility Refunding Revenue Bonds Series 2014A

Stated Maturity (October 1)	Principal Amount	Annual Rate of Interest	Price	CUSIP⁽¹⁾ Base 967338	Stated Maturity (October 1)	Principal Amount	Annual Rate of Interest	Price	CUSIP⁽¹⁾ Base 967338
2015	\$5,980,000	5.000%	105.590%	VC 5	2023	\$2,575,000	5.000%	120.819%	VL 5
2016	6,775,000	5.000%	109.936%	VD 3	2024	2,705,000	5.000%	121.317%	VM 3
2017	1,915,000	5.000%	113.442%	VE 1	2025	2,845,000	5.000%	120.227%	VN 1
2018	2,010,000	5.000%	119.060%	VF 8	2026	1,400,000	3.000%	100.000%	VP 6
2019	2,105,000	5.000%	117.390%	VG 6	2027	1,445,000	3.000%	98.250%	VQ 4
2020	2,215,000	5.000%	118.917%	VH 4	2028	1,500,000	3.125%	98.750%	VR 2
2021	2,330,000	5.000%	119.566%	VJ 0	2029	1,555,000	3.250%	99.250%	VS 0
2022	2,450,000	5.000%	120.408%	VK 7	2030	1,600,000	3.250%	98.000%	VT 8

⁽¹⁾ CUSIP numbers have been assigned to this issue by Standard & Poor's CUSIP Service Bureau, a division of McGraw Hill Financial Inc., and are included solely for the convenience of the Owners of the Series 2014A Bonds. Neither the Issuer nor the Original Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth above

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 2014A BONDS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER.

IN CERTAIN INSTANCES, AS NOTED HEREIN, INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED FROM HISTORICAL RECORDS AND SOURCES OTHER THAN THE ISSUER. ALTHOUGH THE ISSUER BELIEVES SUCH OUTSIDE SOURCES OF INFORMATION ARE RELIABLE, THE ISSUER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF INFORMATION CONTAINED HEREIN WHICH WAS OBTAINED FROM SOURCES OTHER THAN THE ISSUER.

THE FINANCIAL AND OTHER INFORMATION PRESENTED HEREIN IS INTENDED TO SHOW RECENT HISTORIC INFORMATION, AND IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS IN THE FINANCIAL POSITION OR OTHER AFFAIRS OF THE ISSUER. NO REPRESENTATION IS MADE THAT PAST PERFORMANCE, AS MIGHT BE SHOWN BY SUCH FINANCIAL AND OTHER INFORMATION, WILL NECESSARILY CONTINUE OR BE EXPECTED IN THE FUTURE. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE AFTER SUCH DELIVERY SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE OF THIS OFFICIAL STATEMENT.

THE SERIES 2014A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SERIES 2014A BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2014A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2014A BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

CITY OF WICHITA, KANSAS

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**OFFICIAL STATEMENT
OF THE
CITY OF WICHITA, KANSAS**

RELATING TO

\$41,405,000

**WATER AND SEWER UTILITY REFUNDING REVENUE BONDS
SERIES 2014A**

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to the City of Wichita, Kansas (the “Issuer” or the “City”), and the above-referenced bonds (the “Series 2014A Bonds”), which will be dated August 1, 2014 (the “Dated Date”):

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a municipal corporation duly organized and existing under the laws of the State of Kansas (the “State”). Additional information regarding the City is contained in *APPENDIX A* to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. Except for the information expressly attributed to other sources deemed to be reliable, all information has been compiled or provided by the City. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Bond Counsel has not assisted in the preparation nor reviewed this Official Statement, except to the extent described under the section captioned “LEGAL MATTERS,” and accordingly Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

The Series 2014A Bonds will be authorized pursuant to an ordinance and resolution of the City Council of the City (the “Governing Body”), which are referred to respectively as the “Series 2014A Bond Resolution.” Other capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in “*APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION - DEFINITIONS.*”

Purpose

The Series 2014A Bonds are being issued pursuant to the Constitution and statutes of the State of Kansas, as amended by Charter Ordinance of the City, to refund previously issued Utility Indebtedness (the “Refunded Bonds”) secured by the Net Revenues and to pay Costs of Issuance. See “THE REFUNDING PLAN” herein for a more detailed description of the Refunded Bonds. A description of the sources and uses of funds in connection with the Series 2014A Bonds are more fully described in the section of this Official Statement entitled “SOURCES AND USES.”

Security

The Series 2014A Bonds and the interest thereon will constitute special obligations of the City, payable solely from, and secured as to the payment of principal and interest by a pledge of, the net revenues of the Utility (the “Net Revenues”) as prescribed by the Act on a parity with the Parity Indebtedness. The taxing power of the City is not pledged to the payment of the Series 2014A Bonds either as to principal or interest. The 2014A Bonds shall *not* be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. See “THE SERIES 2014A BONDS – Security for the Series 2014A Bonds” herein for a more detailed discussion relating to security for the Series 2014A Bonds.

Continuing Disclosure

The Securities and Exchange Commission (the “SEC”) has promulgated amendments to Rule 15c2-12 (the “Rule”), requiring continuous secondary market disclosure. The Issuer has adopted an Omnibus Continuing Disclosure Undertaking (the “Disclosure Undertaking”) wherein the Issuer has covenanted to provide annually certain Financial Information and Operating Data of the Utility and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. The Disclosure Undertaking modified previous undertakings the Issuer entered into pursuant to the Rule (the “Prior Undertakings”). In the Bond Resolution, hereinafter defined, the Issuer has covenanted with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Series 2014A Bonds. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Series 2014A Bonds. For the past five years the Issuer has filed its Comprehensive Annual Financial Report (the “CAFR”) within the time period prescribed by the Prior Undertaking. The CAFRs contain the audited financial statements of, and statistical information regarding, the Issuer. The statistical information included in the CAFRs contains most, but not all, of the information described as Operating Data in Prior Undertakings. The Issuer’s filings for such years are set forth on the table below.

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Filing Time</u> <u>Period (Days)</u>	<u>CAFR</u> <u>Filing Date</u>
2009	180	06/28/2010*
2010	180	06/14/2011*
2011	180	06/27/2012*
2012	180	06/27/2013*
2013	180	06/26/2014

* The CAFRs for the fiscal years 2009 through 2012, inclusive, inadvertently omitted certain information relating to the billing procedures and then-current rates of the Utility. Such information was filed on EMMA July 3, 2014. The information relating to the billing procedures and the current rates of the Utility for 2013 were included in the CAFR for fiscal year 2013 filed on June 26, 2014.

While the Issuer had the filing deficiencies referred to above, it issued Utility Indebtedness in 2009, 2010, 2011 and 2012, payable from the same source of revenue as the Series 2014A Bonds. The official statements for the Series 2009, 2010, 2011 and 2012 Bonds were filed with the MSRB, but were not incorporated by reference in the filings made by the Issuer with respect to one or more series of then outstanding Utility Indebtedness.

During the past five years, the Issuer has made filings of event notices on EMMA with respect to bond calls, defeasances and rating changes, however, during said time period, the Issuer may not have made timely filings of event notices on EMMA relating to all bond calls, defeasances or rating changes. The Issuer believes this information was disseminated or available through other sources. In particular, event notices were not timely filed on EMMA in connection with certain rating changes on various series of bonds resulting from changes in the ratings of the applicable bond insurers. Specific information about such rating changes were filed on EMMA on July 3, 2014. For more information regarding the Disclosure Undertaking, see “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE DISCLOSURE UNDERTAKING.**”

Certification

The Issuer has authorized the distribution of this Official Statement for use in connection with the initial sale of the Series 2014A Bonds. This Official Statement does not constitute a contract between the Issuer or the Original Purchasers and any one or more of the purchasers, Owners or Beneficial Owners of the Series 2014A Bonds. As of the date of the delivery of the Series 2014A Bonds, the Original Purchaser will be furnished with a certificate signed by an officer of the Issuer stating that, to the best of such officer’s knowledge, in the Official Statement, the Issuer has not made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

Additional Information

Additional information regarding the Series 2014A Bonds may be obtained from the Department of Finance, 12th Floor, City Hall, 455 North Main, Wichita, Kansas 67202-1679, or by contacting:

Ms. Catherine Gilley
Debt Coordinator
Phone: (316) 268-4143
Fax: (316) 858-7520
Email: cgilley@wichita.gov.

Additional copies of this Official Statement may be obtained at www.onlinemunis.com.

THE SERIES 2014A BONDS

Authority for the Series 2014A Bonds

The Series 2014A Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-116a), K.S.A. 10-620 *et seq.*, K.S.A. 10-1201 *et seq.*, as amended by Charter Ordinance No. 211 of the City (collectively the “Act”) and the Series 2014A Bond Resolution.

Security for the Series 2014A Bonds

The Series 2014A Bonds shall be special obligations of the Issuer payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues derived by the Issuer from the operation of the Utility. THE SERIES 2014A BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE CITY, NOR SHALL THEY CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION, LIMITATION OR RESTRICTION, AND THE TAXING POWER OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE SERIES 2014A BONDS, EITHER AS TO PRINCIPAL OR INTEREST. The Series 2014A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with any Parity Indebtedness. Reference is made to “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION – DEFINITIONS**” for a listing of the Parity Indebtedness currently outstanding.

The City, in accordance with and subject to applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the Utility as will produce Gross Revenues sufficient to: (a) pay the Current Expenses of the Utility; (b) pay the Debt Service Requirements on Utility Indebtedness as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the City to have in each Fiscal Year, Net Revenues not less than 120% of the Debt Service Requirements for such Fiscal Year on all Parity Indebtedness at the time Outstanding, 100% of the Debt Service Requirements for such Fiscal Year on any Subordinate Lien Indebtedness and Utility General Obligation Indebtedness; and (d) provide reasonable and adequate reserves for the payment of the Utility Indebtedness and the interest thereon and for the protection and benefit of the Utility as provided in the Bond Resolution.

Bond Resolution. Reference is made to the entire text of the Series 2014A Bond Resolution for a full and complete description of the covenants of the Issuer relating to the security for the Series 2014A Bonds. A summary of the Series 2014A Bond Resolution is contained in “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE BOND RESOLUTION.**”

Description of the Series 2014A Bonds

The Series 2014A Bonds shall consist of fully registered book-entry-only bonds in an Authorized Denomination and shall be numbered in such manner as the Bond Registrar shall determine. All of the Series 2014A Bonds shall be dated as of the Dated Date, become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as hereinafter set forth, and shall bear interest at the rates per annum set forth on the inside cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Bond Registrar

The Issuer will at all times maintain a paying agent and bond registrar meeting the qualifications set forth in the Series 2014A Bond Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No resignation or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the “Bond Registrar” and “Paying Agent”) has been designated by the Issuer as paying agent for the payment of principal of and interest on the Series 2014A Bonds and bond registrar with respect to the registration, transfer and exchange of Series 2014A Bonds.

Method and Place of Payment of the Series 2014A Bonds

The principal of, or Redemption Price, and interest on the Series 2014A Bonds shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Series 2014A Bond shall be paid at Maturity to the Person in whose name such Series 2014A Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Series 2014A Bond at the principal office of the Paying Agent.

The interest payable on each Series 2014A Bond on any Interest Payment Date shall be paid to the Owner of such Series 2014A Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Owner; or (b) in the case of an interest payment to Cede & Co. or any Owner of \$500,000 or more in aggregate principal amount of Series 2014A Bonds, by electronic transfer to such Owner upon written notice given to the Bond Registrar by such Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Owner wishes to have such transfer directed.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Series 2014A Bond shall cease to be payable to the Owner of such Series 2014A Bond on the relevant Record Date and shall be payable to the Owner in whose name such Series 2014A Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2014A Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Series 2014A Bond entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO., REMAINS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See “THE BONDS – Book-Entry Bonds; Securities Depository.”

Payments Due on Saturdays, Sundays and Holidays

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Book-Entry Bonds; Securities Depository

The Series 2014A Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2014A Bonds, except in the event the Bond Registrar issues Replacement Bonds. It is anticipated that during the term of the Series 2014A Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Series 2014A Bonds to the Participants until and unless the Bond Registrar authenticates and delivers Replacement Bonds to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Series 2014A Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Series 2014A Bonds; or

(b) if the Bond Registrar receives written notice from Participants having interest in not less than 50% of the Series 2014A Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Series 2014A Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Series 2014A Bonds, then the Bond Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Bond Registrar shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Bond Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2014A Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Registrar, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Bond Registrar shall authenticate and cause delivery of Replacement Bonds to Owners, as provided herein. The Bond Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Series 2014A Bonds. The cost of printing, registration, authentication, and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Registrar receives written evidence satisfactory to the Bond Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Registrar upon its receipt of a Series 2014A Bond or Series 2014A Bonds for cancellation shall cause the delivery of the Series 2014A Bonds to the successor Securities Depository in appropriate denominations and form as provided in the Series 2014A Bond Resolution.

Registration, Transfer and Exchange of Series 2014A Bonds

As long as any of the Series 2014A Bonds remain Outstanding, each Series 2014A Bond when issued shall be registered in the name of the Owner thereof on the Bond Register. Series 2014A Bonds may be transferred and exchanged only on the Bond Register as hereinafter provided. Upon surrender of any Series 2014A Bond at the principal office of the Bond Registrar, the Bond Registrar shall transfer or exchange such Series 2014A Bond for a new Series 2014A Bond or Series 2014A Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Series 2014A Bond that was presented for transfer or exchange. Series 2014A Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Bond Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Series 2014A Bonds is exercised, the Bond Registrar shall authenticate and deliver Series 2014A Bonds in accordance with the provisions of the Series 2014A Bond Resolution. The Issuer shall pay the fees and expenses of the Bond Registrar for the registration, transfer and exchange of Series 2014A Bonds. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Bond Registrar, are the responsibility of the Owners of the Series 2014A Bonds. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Bond Registrar shall not be required (a) to register the transfer or exchange of any Series 2014A Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Series 2014A Bond during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed Series 2014A Bonds

If (a) any mutilated Series 2014A Bond is surrendered to the Bond Registrar or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Series 2014A Bond, and (b) there is delivered to the Issuer and the

Bond Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Bond Registrar that such Series 2014A Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Bond Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Series 2014A Bond, a new Series 2014A Bond of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Series 2014A Bond has become or is about to become due and payable, the Issuer, in its discretion, may pay such Series 2014A Bond instead of issuing a new Series 2014A Bond. Upon the issuance of any new Series 2014A Bond, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentment of Series 2014A Bonds

If any Series 2014A Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Series 2014A Bond have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Series 2014A Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Series 2014A Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Series 2014A Bond Resolution or on, or with respect to, said Series 2014A Bond. If any Series 2014A Bond is not presented for payment within four (4) years following the date when such Series 2014A Bond becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Series 2014A Bond, and such Series 2014A Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

Optional Redemption. At the option of the City, the Series 2014A Bonds maturing in the years 2025 and thereafter will be subject to redemption and payment prior to maturity on October 1, 2024, and thereafter, as a whole or in part (selection of the amount of Series 2014A Bonds to be redeemed to be determined by the City in such equitable manner as it may determine) at any time, at a redemption price of 100% (expressed as percentage of the principal amount), plus accrued interest thereon to the date of redemption.

Selection of Series 2014A Bonds to be Redeemed. Series 2014A Bonds shall be redeemed only in an Authorized Denomination. When less than all of the Series 2014A Bonds are to be redeemed and paid prior to their Stated Maturity, such Series 2014A Bonds shall be redeemed in such manner as the Issuer shall determine, Series 2014A Bonds of less than a full Stated Maturity shall be selected by the Bond Registrar in minimum Authorized Denominations in such equitable manner as the Bond Registrar may determine. In the case of a partial redemption of Series 2014A Bonds by lot when Series 2014A Bonds of denominations greater than a minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Series 2014A Bond of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Series 2014A Bond is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Series 2014A Bond to the Bond Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Series 2014A Bond or Series 2014A Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Series 2014A Bond. If the Owner of any such Series 2014A Bond fails to present such Series 2014A Bond to the Paying Agent for payment and exchange as aforesaid, such Series 2014A Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption. Unless waived by any Owner of Series 2014A Bonds to be redeemed, if the Issuer shall call any Series 2014A Bonds for redemption and payment prior to the Stated Maturity thereof, the Issuer shall give written notice of its intention to call and pay said Series 2014A Bonds to the Bond Registrar and the Original Purchaser. In addition, the Issuer shall cause the Bond Registrar to give written notice of redemption to the Owners of said Series 2014A Bonds. Each of said written notices shall be deposited in the United States first class mail not less than 30 days prior to the Redemption Date.

All official notices of redemption shall be dated and shall contain the following information: (a) the Redemption Date; (b) the Redemption Price; (c) if less than all Outstanding Series 2014A Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Series 2014A Bonds, the respective principal amounts) of the Series 2014A Bonds to be redeemed; (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon

each such Series 2014A Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (e) the place where such Series 2014A Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal office of the Paying Agent. The failure of any Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Series 2014A Bonds or portions of Series 2014A Bonds that are to be redeemed on such Redemption Date. Official notice of redemption having been given as aforesaid, the Series 2014A Bonds or portions of Series 2014A Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the Issuer defaults in the payment of the Redemption Price) such Series 2014A Bonds or portion of Series 2014A Bonds shall cease to bear interest.

For so long as the Securities Depository is effecting book-entry transfers of the Series 2014A Bonds, the Bond Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2014A Bond (having been mailed notice from the Bond Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Series 2014A Bond so affected, shall not affect the validity of the redemption of such Series 2014A Bond.

In addition to the foregoing notice, the Issuer shall provide such notices of redemption as are required by the Disclosure Undertaking. The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the State or the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Series 2014A Bond.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2014A Bonds. The Series 2014A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Series 2014A Bonds and will be deposited with DTC.

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2014A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014A Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014A Bonds, except in the event that use of the book-entry system for the Series 2014A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2014A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2014A Bond documents. For example, Beneficial Owners of Series 2014A Bonds may wish to ascertain that the nominee holding the Series 2014A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2014A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2014A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Series 2014A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2014A Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2014A Bond certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2014A Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2014A BONDS; THE TRANSMITTAL TO BENEFICIAL OWNERS OR DTC PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS OF THE SERIES 2014A BONDS UNDER THE SERIES 2014A BOND RESOLUTION; THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2014A BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES 2014A BONDS.

THE REFUNDING PLAN

Proceeds of the Series 2014A Bonds and certain other funds of the Issuer will be applied to retire the following Outstanding Bonds of the Issuer (collectively the “Refunded Bonds”):

Water and Sewer Utility Refunding Revenue Bonds, Series 2005A, Dated May 12, 2005

<u>Maturity Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
\$4,530,000	10/01/2014	5.000%	N/A	N/A
4,830,000	10/01/2015	5.000%	10/01/2014	100%
5,235,000	10/01/2016	5.000%	10/01/2014	100%

Water and Sewer Utility Revenue Bonds, Series 2005C, Dated October 1, 2005

<u>Maturity Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
\$1,735,000	10/01/2014	4.750%	N/A	N/A
1,820,000	10/01/2015	4.750%	N/A	N/A
1,910,000	10/01/2016	4.750%	10/01/2015	101%
2,005,000	10/01/2017	5.000%	10/01/2015	101%
2,100,000	10/01/2018	5.000%	10/01/2015	101%
2,200,000	10/01/2019	4.750%	10/01/2015	101%
2,310,000	10/01/2020	4.750%	10/01/2015	101%
2,425,000	10/01/2021	4.750%	10/01/2015	101%
2,545,000	10/01/2022	4.750%	10/01/2015	101%
2,670,000	10/01/2023	4.750%	10/01/2015	101%
2,795,000	10/01/2024	5.000%	10/01/2015	101%
2,940,000	10/01/2025	5.000%	10/01/2015	101%
1,500,000	10/01/2026	4.375%	10/01/2015	101%
1,570,000	10/01/2027	4.375%	10/01/2015	101%
1,650,000	10/01/2028	4.500%	10/01/2015	101%
1,730,000	10/01/2029	5.125%	10/01/2015	101%
1,815,000	10/01/2030	4.500%	10/01/2015	101%

An Escrow Fund will be established for the Refunded Bonds pursuant to the terms of the Escrow Trust Agreement dated as of the Dated Date, by and between the Issuer and Security Bank of Kansas City, Wichita, Kansas (the “Escrow Agent”). See “**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS – THE ESCROW TRUST AGREEMENT**” for a discussion of the manner in which the Escrow Fund is administered.

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Series 2014A Bonds:

Sources of Funds:

Principal Amount of Series 2014A Bonds	\$41,405,000.00
Available Utility Debt Service Funds	7,483,681.25
Available Utility Bond Reserve Funds	2,128,450.00
Reoffering Premium	<u>4,929,093.40</u>

Total	\$55,946,224.65
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Uses of Funds:

Deposit to Escrow Fund	\$53,435,269.65
Deposit to Series 2014A Principal and Interest Account	629.34
Deposit to Series 2014A Bond Reserve Sub Account	2,251,681.25
Deposit to Costs of Issuance Account	127,690.00
Underwriter’s Compensation	<u>130,954.41</u>

Total	\$55,946,224.65
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RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE SERIES 2014A BONDS DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE SERIES 2014A BONDS WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE SERIES 2014A BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2014A BONDS SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE ORIGINAL PURCHASERS OF EACH SERIES OF THE SERIES 2014A BONDS.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Series 2014A Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the Utility.

Limitations on Remedies Available to Owners of Series 2014A Bonds

The enforceability of the rights and remedies of the owners of Series 2014A Bonds, and the obligations incurred by the Issuer in issuing the Series 2014A Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Series 2014A Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Special Obligations

The Series 2014A Bonds are special, limited obligations of the Issuer. Neither the Series 2014A Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by, the City, or any governmental subdivision, agency or instrumentality. The Series 2014A Bonds are not payable in any manner from tax revenues.

Debt Service Source

The Series 2014A Bonds are payable solely from the Net Revenues. While the future ability of the Issuer to meet its obligations under the Series 2014A Bond Resolution is based upon assumptions and business judgments which the Issuer believes are reasonable and appropriate, they are subject to conditions which may change in the future to an extent that presently cannot be determined. Thus, no assurance can be given that revenues will be realized by the Issuer in amounts sufficient to pay the principal of and interest on the Series 2014A Bonds as they become due.

Bond Reserve Account

Pursuant to the Series 2014A Bond Resolution, an amount equal to the greater of the interest to be paid on the Series 2014A Bonds during the next Fiscal Year or the maximum interest to be paid on the Series 2014A Bonds during any subsequent Fiscal Year (the "Bond Reserve Requirement") is required to be deposited in the Bond Reserve Subaccount for the Series 2014A Bonds (the "Bond Reserve Subaccount") of the Bond Reserve Account. The Bond Reserve Requirement may be satisfied by cash, Authorized Investments or an Alternative Credit Facility. The City will use funds available from the reserves for the Refunded Bonds to fund the Bond Reserve Requirement. Amounts held in the Bond Reserve Subaccount may be applied by the City to prevent default in payment of the principal of and interest on the Series 2014A Bonds in accordance with the Bond Ordinance in the event funds on hand in the Principal and Interest Subaccount for the Series 2014A Bonds are insufficient to provide funds for payments due for the Series 2014A Bonds on any Payment Date. In the event that the Bond Reserve Subaccount contains Authorized Investments and the City is required to sell such Authorized Investments for an authorized purpose, the price realized upon such sale may not equal the Bond Reserve Requirement.

In the event of a default by the City under the Series 2014A Bond Resolution, moneys deposited in the Bond Reserve Subaccount may, under certain circumstances and, ordinarily under the supervision of and under order of the Courts, be applied for purposes other than payment of the Series 2014A Bonds. Such purposes may include preservation of and security for the Utility, maintenance of insurance, payment of expenses incurred in attempting to operate the Utility and payment of other similar costs.

Water Supply

The ability of the Utility to achieve Net Revenues to meet its Debt Service Requirements is contingent on a variety of factors, including the availability of an adequate supply of water. The Utility obtains raw water from several sources. Reference is made to the section of this Official Statement entitled “THE WATER AND SEWER UTILITY” for a complete description of the water supply. Conditions beyond the control of the City or the Utility may cause interruption of this water supply, including contamination of such supply, failure of electricity necessary to operate pumping stations and destruction of supply pipelines. If such events occur, the operations of the Utility will be impaired.

State and Federal Regulation

The rates, fees and charges for water and sewer service provided by the Utility as currently constructed and operated are exempt from rate regulation by any Federal or State agency, including the Kansas Corporation Commission. The precise nature and extent of future governmental regulation and the resulting impact of such regulation on the operation and profitability of the Utility cannot now be determined. The City has covenanted in the Series 2014A Bond Resolution to comply with all such governmental regulations.

Taxation of Interest on the Series 2014A Bonds

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Series 2014A Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Series 2014A Bonds includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Series 2014A Bond Resolution and in other documents and certificates to be delivered in connection with the issuance of the Series 2014A Bonds to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Series 2014A Bonds. Because the existence and continuation of the excludability of the interest on the Series 2014A Bonds depends upon events occurring after the date of issuance of the Series 2014A Bonds, the opinion of Bond Counsel described under “TAX MATTERS” assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 2014A Bonds in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Series 2014A Bonds to become includable in gross income as of the date of issuance.

Premium on Series 2014A Bonds

The initial offering prices of certain maturities of the Series 2014A Bonds that are subject to optional redemption are in excess of the respective principal amounts thereof. Any person who purchases a Series 2014A Bond in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Series 2014A Bonds are subject to redemption at par under the various circumstances described under “THE SERIES 2014A BONDS – Redemption Provisions.”

No Additional Interest or Mandatory Redemption upon Event of Taxability

An investment in the Series 2014A Bonds involves a certain degree of risk. The interest rate borne by the Series 2014A Bonds (as compared to prevailing interest rates on more secure tax exempt bonds such as those which constitute general obligations of fiscally sound municipalities) is intended to compensate the investor for assuming this element of risk. Furthermore, the Series 2014A Bond Resolution does not provide for the payment of additional interest or penalty on the Series 2014A Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, there is no provision for the payment of any additional interest or penalty on the Series 2014A Bonds if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

The tax exempt feature of the Series 2014A Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Series 2014A Bonds are an appropriate investment.

Market for the Series 2014A Bonds

Ratings. The Series 2014A Bonds have been assigned the financial ratings set forth in the section hereof entitled “RATINGS.” There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Series 2014A Bonds.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Series 2014A Bonds. Prices of Series 2014A Bonds traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Series 2014A Bonds as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the City, or a material adverse change in the financial condition of the City, whether or not the Series 2014A Bonds are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

THE WICHITA WATER AND SEWER UTILITY

History

Water. In 1882, the City granted a franchise for the construction and operation of a central water system. This franchise was operated by a subsidiary of the American Waterworks Company until 1940 when the City assumed responsibility for the supply, transmission, and treatment of water in order to assure an excellent quality and abundant quantity of water to the residents of the City. In 1957, the City purchased the facilities owned by the American Waterworks Company with the proceeds of \$41,825,000 Waterworks Revenue Bonds.

Sewer. The first sewer system was constructed in the City in 1889, with primary treatment facilities constructed in 1932 and secondary treatment facilities in 1959.

Combined Utility. In 1987, the governing body of the City adopted an ordinance providing for the combining of the Water Utility and Sewer Utility into the Wichita Water and Sewer Utility.

Management and Personnel

The Utility is owned and operated by the City through its Public Works & Utilities Department. The City and its Departments are managed under the Council-Manager form of government, in which the City Manager serves as the chief administrative officer and appoints qualified professional staff to operate the various Departments. The following individuals are the key senior City personnel with respect to the operation of the Utility:

ROBERT L. LAYTON became Wichita’s City Manager on February 2, 2009. He reports to a seven-member City Council and oversee 3,100 employees, a \$500 million annual budget and a \$2.4 billion Capital Improvement Program. Mr. Layton has been involved in local government for nearly 30 years. He served as City Manager from 1984 to 2008 for Urbandale, Iowa, where he focused on planned growth, quality service delivery and sound fiscal condition. Before going to Urbandale, he was an assistant to the City Manager in Des Moines, Iowa from 1980 to 1984; prior to that he was a budget analyst and public management intern for Kansas City, MO. Bob earned a graduate degree in public administration from Syracuse University and he earned a bachelor’s degree in public administration from Drake University. He is a member of the International City/County Management Association, a former president of the Iowa City/County Management Association and a former executive board member of the Iowa League of Cities.

ALAN KING was named Director of Public Works & Utilities for the City of Wichita on August 1, 2011. Mr. King’s local government career has spanned 33 years. He served as the Public Works Director for

city and county of Broomfield, Colorado from January 2008 to July 2011. Before going to Broomfield, Colorado, he was the Assistant Utilities Director in Bellevue, Washington from October 2001 to January 2008. Alan obtained his bachelor's degree in business administration from Seattle International University/National University in 1988 and is currently pursuing his Masters of Public Administration.

SHAWN HENNING was appointed Director of Finance in April 2013. Ms. Henning has been involved in local government finance for over 22 years. Starting in 1991, she served as the Internal Auditor for over two years and was named Controller of the City of Wichita in 1994, where she served until 2003. From April 2003 to April 2006, Ms. Henning served as Accounting Director for Sedgwick County, Kansas. In 2006, she returned to the City of Wichita, serving as Treasurer until she was named Director of Finance in 2013. Shawn received her Bachelor's degree in Accounting and Business Administration from Kansas Newman College in 1981. She earned designation as a Certified Public Finance Officer from the Government Finance Officers Association (GFOA) in 2001. Shawn is also a Certified Public Funds Investment Manager, a member of the Government Finance Officers Association and currently serves as the Vice-President on the board of the Kansas Government Finance Officers Association.

Description of Water Utility

The City, many surrounding suburban areas, eight small incorporated communities, a number of major industries, a United States Air Force Base, and three Rural Water Districts are currently served by Wichita's water system.

The Utility's sources of water supply include local groundwater allocations of 17,561 acre-feet per year, from the Arkansas River alluvium aquifer, groundwater allocations of 40,000 acre-feet per year from the Equus Beds aquifer, located approximately 25 miles northwest of the City, and 52,640 more acre-feet from Cheney Reservoir, located 25 miles west of Wichita. Current supply capacity is 180 million gallons per day (mgd) from the following: local wells - 30 mgd, Equus Beds-70 mgd, and Cheney Reservoir-80 mgd. Additional water is available through an aquifer storage and recovery recharge credit which varies yearly and is currently 1,691 acre feet. All water rights are provided by the State of Kansas through its Board of Agriculture, Division of Water Resources. The Water Treatment Plant capacity is 160 mgd and is currently capable of meeting demand.

Five high service pumps are located at the Cheney Reservoir Pump Station and Ozone Pretreatment facilities to provide treatment of water for taste and odor control. The supply system includes 18 miles of gathering lines in the well field and 46 miles of 36-inch, 42-inch, 48-inch and 66-inch transmission mains from the well field to the water treatment plant. A 48-inch cross tie main connecting the major 48-inch and 66-inch well field transmission mains was completed in 1991 to provide additional system reliability and bolster future collection capabilities as the number of well sites grow to produce additional water when needed by the City in the future. The system also includes 21 miles of 60-inch transmission main from Cheney Reservoir Pump Station to the treatment works. In 2004, an additional 66" transmission main (22,670 feet) was completed parallel to the existing 66" line, to provide redundancy. Total treated water storage, including at the water treatment plant, is 50.1 million gallons. Eight high service pumps are located in the Robert H. Hess Pumping Station, placed in service in 1974. A project to replace seven of the original pumps was completed in 1998, which increased the capacity to 236 mgd, with a firm capacity of approximately 200 mgd. In 2009, the fixed speed drives were replaced with variable speed drives so all pumps could be run as variable speed, increasing efficiency of the system. The distribution system includes over 2,400 miles of lined and unlined cast and ductile iron pipe, cement-lined cast iron pipe, prestressed concrete pipe, asbestos-cement pipe, and polyvinyl chloride pipe. Mains range in size from a limited number of 2-inch to 48-inch mains. The general system minimum grid size is 8-inch diameter.

Condition of Water Utility

Due to the rapid growth of the Utility's service area in the last four decades, the average age of the various components of the Water Utility is much less than in many metropolitan areas the size of Wichita. None of the water treatment or source of supply facilities existed prior to 1940. The original wells in the Equus Beds, the gathering lines for these wells, and 25 miles of 48-inch and 42-inch transmission lines were constructed in 1940. Ten additional wells and associated gathering lines were added to the Equus Beds well field in 1946, and 20 new wells and appurtenances were constructed in 1957. The 66-inch line from the well field plus a 42-inch connecting line to the existing well field transmission lines was also constructed in 1957. The original portion of the water treatment plant with a 32 mgd well water capacity was constructed in 1940. Plant additions increasing the capacity to 48 mgd, 120 mgd and 135 mgd were constructed in 1946, 1956 and 1991, respectively, and with the completion of construction in 1995, the plant's capacity reached 160 mgd.

The cost of providing service to unserved areas is paid primarily by special assessments charged against the properties in the benefit area. The average physical age of the distribution system is estimated to be approximately 25 years. All units of the Utility are in well-maintained condition, and the Department has received national recognition for its

effective maintenance programs. The Department tracks its performance toward meeting maintenance targets for all valves and hydrants. Additionally, major water well, mains, valves, services and metering rehabilitation and replacement programs have been ongoing for the last three to five years to meet extraordinary drought demands, maintain system reliability and ensure accurate billings. In 2006, the City updated a Water Master Plan to guide staff in determining necessary improvements. This Water Master Plan indicates the system is in good repair.

A Cost of Services Analysis was completed in 2011 and identified a differential in the rates paid by different customer types. A five-year plan was implemented to gradually realign rates with the customer type. In addition, the ten-year annual rate planning model was improved to determine potential rate increases in the future in order to fully fund the existing capital improvement program. Wichita's customer growth is currently at a rate of 0.33% per year.

Drought Response Planning

In order to increase protection from future droughts, the Utility developed a drought response plan which was approved in October 2013. The plan established four drought response stages based on the level of water in Cheney Reservoir that provides 60 percent of the Utility's water supply. Response measures to the various stages include voluntary conservation, restricting outside water usage and/or a reduction of customers' base usage.

In concert with the drought response plan, the Utility continues to evaluate new water supply options to ensure an adequate long-term supply for our customers. Water supply options are being evaluated on three criteria: meeting long-term water needs, minimizing costs and reasonable conservation goals. In addition, the City is pursuing conservation options to reduce long-term water demand.

The Cheney Reservoir Project

The Cheney Reservoir was constructed under contractual agreement between the City and the United States Department of the Interior, Bureau of Reclamation. Water storage capacity of the Reservoir below the top of the flood control pool is 260,610 acre-feet, with the upper 84,499 acre-feet allocated to flood control, the next 151,788 acre-feet allocated to the City water supply, the next 15,286 acre-feet for fish and wildlife conservation and the final 600 acre-feet for flood control storage. A drainage area of 901 square miles serves the Reservoir. The Cheney Reservoir and other sources of supply provide a total water supply capability to the City which is adequate to meet the projected annual demand through the years 2015 to 2020.

The Aquifer Storage and Recovery Project

The Aquifer Storage and Recovery (ASR) Project involves pumping water out of the Little Arkansas River following periods of heavy rainfall, treating it to drinking-water quality and injecting it into the Equus Beds aquifer, a major source of Wichita's water. The water is stored in the aquifer—an underground layer of sand and gravel that can hold water until it is needed. The current scope of the project is capable of producing up to 40 million gallons of water a day from the Little Arkansas River.

The Equus Beds aquifer covers portions of Sedgwick, Harvey, McPherson and Reno counties with an area of approximately 900,000 acres. The ASR project encompasses approximately 165 square miles and extends northwest of the City of Wichita across parts of Harvey and Sedgwick counties, mostly between Bentley and Halstead. While levels in the aquifer are going down, the water needs of Wichitans are going up. The ASR project, coupled with greater use of Cheney Reservoir – the city's existing surface water supply – will help Wichita provide water in the coming years. The project will create a hydraulic barrier to slow down or stop the intrusion of saltwater into the groundwater supply.

Water Treatment Facilities

The Water Treatment Plant is designed and operated as three parallel units, each providing aeration, softening, coagulation, sedimentation, recarbonation, filtration and disinfection. The East Plant portion, constructed in 1940, can treat up to 30 mgd. The Central Plant portion, originally constructed in 1954, consists of two trains, both of which can treat up to 65 mgd for a total capacity to 160 mgd. The City has undertaken all necessary procedures to comply with all aspects of Federal Safe Drinking Water Act regulations.

Description of Sewer Utility

The City's first sewer lines were installed during the 1880's and were routed to the Arkansas River, with the raw sewage being discharged directly into the River. The method of disposal continued until 1932, when the City constructed a primary treatment plant. In 1957, a secondary treatment plant was constructed consisting of 12 trickling filters, 200 feet in diameter and seven feet deep. The current Sewer Utility service area encompasses approximately 175 square miles. The collection system now includes an estimated 2,000 miles of sewers and 57 lift stations. Many of the sewer lines have been rehabilitated, replaced or paralleled to handle increased flow from growth and restore deteriorating lines.

The City currently operates five regional wastewater facilities. The oldest portions of Plant 1 were constructed in 1932 and after upgrades in 2005, primary processing at Plant 1 was abandoned. Plant 1 now only performs effluent screening. The water is then pumped to Plant 2 where primary and secondary treatment is performed. Thirty million gallons per day of Wichita's wastewater is collected at Plant 2. The oldest portion of Plant 2 was constructed in 1960. The facility has gone through several upgrades. Upgrades completed in 1988 through 1990 included secondary treatment to address ammonia removal, disinfection, and minimum dissolved oxygen level requirements. More recent upgrades included the modification and update of headworks and grit removal equipment, the addition of UV disinfection and most recently, the conversion of existing secondary treatment in the primary treatment facilities. Plant 2 also serves as the collection point for bio-solids from the City's other plants and some neighboring municipalities. The collected solids are treated by dissolved air floatation thickening and anaerobic digestion, and are dewatered using a belt filter press. After dewatering, the material is land applied on local, privately owned, farm ground.

Wastewater flows into the treatment plants are currently within the capacity of the plants. Furthermore, the overall treatment capacity at the plants is adequate for the 20-year planning period. For Plant 2, the 2014 projected flow is 50% of its apparent available capacity. Engineering analyses of Plant 2 treatment efficiency show that 2014 projected flows will not significantly impact operating capabilities. In 1993, the City initiated an inflow and infiltration control program and is aggressively pursuing the identified sewer rehabilitations, wet weather flow retention and abatement programs included in the Sewer Master Plan. The Plant 2 facilities will be subjected to nutrient removal requirements within the next three permit cycles. The Division is expected to commit to a project to upgrade existing treatment technology within the next fifteen years.

On April 1, 2001, the City of Wichita assumed operational and maintenance responsibility of the Four Mile Creek Sewage Treatment Plant, formerly owned by Sedgwick County. The facility is a 1.5 million gallon per day activated sludge plant utilizing chlorine gas for disinfection. Plant upgrades were completed in January 2005, increasing the capacity of this facility to 3.0 mgd. This upgrade also included the addition of biological nitrogen and phosphorus removal and aerobic solids digestion. The solids digester also serves as a gravity thickener allowing for a 47-50% reduction in the volume of treated solids.

Construction of Cowskin Creek Water Quality Reclamation Facility with a design capacity of 2 mgd, was completed in the spring of 2003. This facility was designed for total nitrogen and biological phosphorous removal and utilizes ultraviolet light for disinfection. This facility uses mechanical thickeners to reduce solids volume and also has complete emergency backup power generation.

The fifth treatment facility located at the Wichita Mid-Continent Airport was completed and began operations in July 2010. This facility is a biological nutrient removal facility capable of treating 3 mgd. This is a scalping plant. Flow is diverted out of the collection system that was currently being directed to Plant 2 and the plant further extends the hydraulic capacity availability at Plant 2.

Condition of Sewer Utility

Recent physical inspections by Burns & McDonnell, as part of their performance of the triennial Condition and Operations Report, indicate that the sewer system is adequate and the treatment facilities are in good repair and operating condition. The lift stations were found to be in good working condition.

The Utility is complying with a negotiated consent agreement with the Kansas Department of Health and Environment (KDHE) that stemmed from a 2012 discharge of partially treated sewage to the Arkansas River. The first phase of compliance was complete in 2013 when the Utility conducted a condition assessment of the Plant 2. Work continues in 2014 with infrastructure improvements and a condition assessment of other wastewater assets.

National Pollution Discharge Elimination System (NPDES) Requirements

The City currently holds three NPDES permits. Plant 2, as stated above, upgraded its secondary wastewater treatment facilities in 1988 to meet treated wastewater effluent discharge permit requirements of the Kansas Department of Health and Environment (KDHE) to conform to the State of Kansas Stream Water Quality Criteria. The City completed these improvements in May 1990 and now meets all Clean Water Act Standards.

Biological nutrient removal has been added as a part of the two remote facilities. This technology allows for current discharge limits for ammonia to be achieved, but will also allow the facilities to meet future limits for phosphorus and total nitrogen.

Bonded Indebtedness

The following table sets forth the bonded indebtedness of the Utility (including the Series 2014A Bonds) as of August 1, 2014:

Description of Indebtedness	Series	Dated Date	Original Principal Amount	Amount Outstanding
Revenue Bonds	Series 2000	06/01/2000	\$ 7,220,000	\$ 3,941,657
Refunding Revenue Bonds	Series 2005B	08/17/2005	26,695,000	9,360,000
Revenue Bonds	Series 2006	12/01/2006	51,140,000	40,635,000
Revenue Bonds	Series 2008A	04/01/2008	29,460,000	25,015,000
Revenue Bonds	Series 2009A	06/30/2009	119,775,000	109,880,000
Revenue Bonds	Series 2009B	06/30/2009	12,845,000	8,490,000
Revenue Bonds	Series 2010A	10/15/2010	31,810,000	28,195,000
Revenue Bonds	Series 2010B	10/15/2010	17,090,000	15,315,000
Refunding Revenue Bonds	Series 2011A	11/01/2011	105,325,000	93,915,000
Revenue Bonds	Series 2012A	05/01/2012	17,225,000	16,505,000
Refunding Revenue Bonds	Series 2014A	08/01/2014	41,405,000	<u>41,405,000</u>
		Total		\$392,656,657

Operating and Financial Data

The following is selected operating data of the Utility compiled by Utility staff, which contains certain modifications from statistics contained in the City of Wichita, Kansas Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013.

CITY OF WICHITA, KANSAS

WATER AND SEWER UTILITY STATISTICS BY CUSTOMER CLASS

For the year ended December 31, 2013
(with comparative totals for the year ended December 31, 2012)

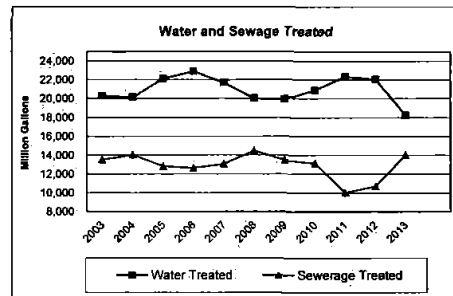
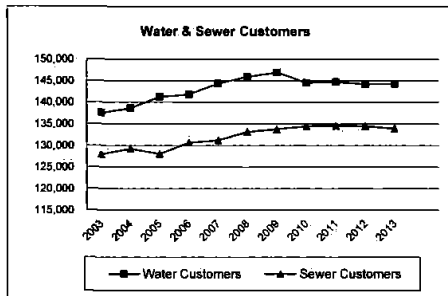
UNAUDITED

WATER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Water Revenues ¹		Water Sales ¹ (thousand gallons)	
	2013	2012	2013	2012	2013	2012
Residential	127,715	128,073	\$ 38,674,358	\$ 48,073,496	8,097	10,637
Commercial / Industrial	11,205	10,790	19,235,480	25,523,718	6,171	6,979
Wholesale	12	11	3,731,828	4,098,308	1,547	1,700
Lawn services	3,049	3,049	-	-	-	-
Fire protection	1,897	1,876	419,269	346,415	-	-
Contract	355	362	787,614	1,599,232	192	453
Backflow charges	-	-	241,202	238,876	-	-
Other sales	-	-	323,897	376,962	24	39
Estimated leaks	-	-	-	-	488	489
Water utility uses	28	29	-	-	322	296
Unaccounted for water	-	-	-	-	1,380	1,443
	<u>144,261</u>	<u>144,190</u>	<u>\$ 63,413,648</u>	<u>\$ 80,257,007</u>	<u>18,221</u>	<u>22,036</u>

SEWER UTILITY STATISTICS BY CUSTOMER CLASS

CUSTOMER CLASS	Number of Customers		Sewer Revenues ¹	
	2013	2012	2013	2012
Residential	122,228	122,656	\$ 28,158,960	\$ 25,470,226
Commercial	10,971	11,073	12,978,806	12,827,129
Industrial	17	16	4,542,044	4,073,295
Institutional	725	735	845,121	828,637
Wholesale	1	1	246,265	236,249
Other	-	-	21,417	21,394
Extra strength	10	10	2,132,156	1,607,617
	<u>133,952</u>	<u>134,491</u>	<u>\$ 48,924,769</u>	<u>\$ 45,064,547</u>



REPORT IN BRIEF

	2013	2012	Change
Number of water customers	144,261	144,190	0.05%
Number of sewer customers	133,952	134,491	-0.40%
Miles of water line	2,407	2,387	0.84%
Miles of sanitary sewer line	2,016	2,016	0.00%
Water produced (million gallons)	18,221	22,036	-17.31%
Wastewater treated (million gallons)	14,049	10,708	31.21%
Cost of treated, pressurized water per 1000 gal.	\$0.68	\$0.54	25.93%
Cost of treated wastewater per 1000 gal.	\$0.79	\$0.97	-18.56%

¹Water and Sewer utility revenue and sales volume data is based on actual billing information and excludes year-end accrual entries.

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CITY OF WICHITA, KANSAS

WATER UTILITIES NET REVENUES AVAILABLE FOR DEBT SERVICE AND CAPITAL EXPENDITURES MADE FROM OPERATING REVENUES

For the year ended December 31, 2013

UNAUDITED

	Water	Sewer	Combined
REVENUES			
Charges for services	\$ 64,789,466	\$ 49,753,720	\$ 114,543,186
Investment earnings	135,677	13,107	148,784
Capital contributions - cash	3,348,811	1,452,999	4,801,810
Bond discount amortization	859,176	847,116	1,706,292
Other revenues	177,085	8,797	185,882
Gross earnings	<u>69,310,215</u>	<u>52,075,739</u>	<u>121,385,954</u>
OPERATIONS AND MAINTENANCE			
Personnel services	9,549,396	9,585,333	19,134,729
Contractual services	12,646,777	7,269,935	19,916,712
Materials and supplies	4,726,101	3,440,703	8,166,804
Other expenses	761,172	459,994	1,221,166
Administrative charges	738,797	279,057	1,017,854
Contributions to the city	4,099,364	2,353,603	6,452,967
Total operations and maintenance	<u>32,521,607</u>	<u>23,388,625</u>	<u>55,910,232</u>
Net revenues available for debt service	<u>\$ 36,788,608</u>	<u>\$ 28,687,114</u>	<u>\$ 65,475,722</u>
REVENUE BONDS DEBT SERVICE	<u>\$ 24,820,694</u>	<u>\$ 18,623,017</u>	<u>\$ 43,443,711</u>
DEBT SERVICE COVERAGE RATIO	1.48	1.54	1.51
Gross earnings	\$ 69,310,215	\$ 52,075,739	\$ 121,385,954
Less: investment earnings	135,677	13,107	148,784
Less: capital contributions	3,348,811	1,452,999	4,801,810
Less: bond discount amortization	859,176	847,116	1,706,292
Operating revenues	<u>\$ 64,966,551</u>	<u>\$ 49,762,517</u>	<u>\$ 114,729,068</u>
CAPITAL EXPENDITURES FROM OPERATING REVENUES	<u>\$ 2,805,936</u>	<u>\$ 1,505,287</u>	<u>\$ 4,311,223</u>

Property Insurance As of December 31, 2013

Insurance Company	Coverage details	Deductible	Coverage Period
Travelers	*All risk coverage on real and personal property on a replacement cost basis, with a value limitation of \$200 million.	Per occurrence. Property- \$100,000; Hail and wind-\$2 million	01-13 to 01-14
Travelers	*Comprehensive coverage for steam boilers, air conditioners, and electric motors on a repair or replacement cost basis with a value limitation of \$75 million.	Per occurrence	01-13 to 01-14

* Property insurance for the Utilities is included in the City's coverage. Limits shown are for the entire City.

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UTILITY BILLING PROCEDURES AND CURRENT RATES

Customers of the Utility are billed monthly and the rates charged by the Utility are restructured to encourage water conservation. The rates provided below are those in effect on August 1, 2014.

The average monthly residential water and sewer bill in August 2014 for a customer using approximately 7,500 gallons of water per month would be \$55.32, excluding applicable fees.

<i>Water</i>			<i>Sewer</i>	
Meter size (Inches)	Inside the City	Outside and wholesale	Inside City	Outside City
5/8	\$ 11.78	\$18.85	\$ 7.68	\$ 12.30
3/4	11.78	18.85	7.68	12.30
1	11.78	18.85	7.68	12.30
1.5	14.12	22.59	12.39	19.83
2	16.59	26.56	18.54	29.69
3	27.29	43.67	56.20	89.92
4	34.34	54.95	71.48	114.37
6	49.55	79.29	128.52	205.64
8	63.76	102.03	184.45	295.11
10	78.95	126.33	284.17	454.67
12	102.56	164.10	413.54	661.67

Rates for consumption charges in 2011 per 1,000 gallons are as follows:

Water	Inside	Outside	Wholesale
<110% of AWC	\$1.77	\$ 2.83	\$ 2.03
111%-310%	6.25	10.01	10.53
>310% of AWC	9.13	14.62	15.77

Sewer	3.01	4.82	2.30
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Future Capital Project Plans

The major capital projects of the Sewer Utility over the next ten years include continued rehabilitation of existing sewers, including portions of the 54" interceptor under I-135; pump stations and interceptors to serve the far northeast area, assuming projected growth occurs; and biological nutrient removal at Plant 2.

The major capital projects of the Water Utility planned for the next ten years include construction of a water treatment plant in northwest Wichita; continued replacement of older water mains; and installation of mains to serve new development.

The projects will be financed using a prudent combination of cash and revenue bond financing.

RATINGS

Standard & Poor's Ratings Services, a division of McGraw Hill Financial Inc., has assigned a rating of "AA-" to the Series 2014A Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any obligations, including the Series 2014A Bonds, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Series 2014A Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn.

entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Series 2014A Bonds.

ABSENCE OF LITIGATION

The Issuer is a defendant in various actions pending or in process for property damages, civil rights, personal injury and other miscellaneous claims. The ultimate liability that might result from final resolution of these matters is not presently determinable. City staff and the City's Department of Law are of the opinion that the final outcome of these matters will not have an adverse material effect on the City's financial condition.

There is currently no controversy, suit or other proceeding of any kind pending, or to the knowledge of the Governing Body, City staff or the City's Department of Law, threatened which would adversely affect the validity of the Series 2014A Bonds or the ability of the Issuer to provide for the payment of the principal of and the interest on the Series 2014A Bonds in the manner described herein. Concurrently with the delivery of the Series 2014A Bonds, the Issuer will deliver an executed non-litigation certificate in the form required by State law.

LEGAL MATTERS

Approval of Series 2014A Bonds

All matters incident to the authorization and issuance of the Series 2014A Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"). The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE BONDS," "LEGAL MATTERS," "TAX MATTERS" and "**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.**" Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Series 2014A Bonds. Certain other legal matters will be passed on for the City by Gary E. Rebenstorf, Esq., Director of Law and City Attorney.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Series 2014A Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2014A Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2014A Bonds in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2014A Bonds.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Series 2014A Bonds:

Federal Tax Exemption. The interest on the Series 2014A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 2014A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Series 2014A Bonds have *not* been designated as "qualified tax-exempt obligations" for purposes of Code § 265(b).

Kansas Tax Exemption. The interest on the Series 2014A Bonds is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2014A Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2014A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2014A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2014A Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2014A Bonds.

Other Tax Consequences

Original Issue Discount. For Federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a Series 2014A Bond over its issue price. The issue price of a Series 2014A Bond is the first price at which a substantial amount of the Series 2014A Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Code § 1288, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2014A Bond during any accrual period generally equals: (a) the issue price of that Series 2014A Bond, plus the amount of OID accrued in all prior accrual periods; multiplied by (b) the yield to maturity on that Series 2014A Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period); minus (c) any interest payable on that Series 2014A Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for Federal income tax purposes, and will increase the owner's tax basis in that Series 2014A Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Series 2014A Bond is issued at a price that exceeds the stated redemption price at maturity of the Series 2014A Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that Series 2014A Bond. Under Code § 171, the purchaser of that Series 2014A Bond must amortize the premium over the term of the Series 2014A Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2014A Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for Federal income tax purposes on sale or disposition of the Series 2014A Bond prior to its maturity. Even though the owner's basis is reduced, no Federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Series 2014A Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2014A Bond, an owner of such Series 2014A Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2014A Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2014A Bond. To the extent the Series 2014A Bonds are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2014A Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Series 2014A Bonds, and to the proceeds paid on the sale of Series 2014A Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2014A Bonds should be aware that ownership of the Series 2014A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2014A Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2014A Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2014A Bonds, including the possible application of state, local, foreign and other tax laws.

CUSIP NUMBERS

Any CUSIP numbers for the Series 2014A Bonds included in this Official Statement are provided for the convenience of the owners of the Series 2014A Bonds and prospective investors. The CUSIP numbers for the Series 2014A Bonds have been assigned by an organization unaffiliated with the Issuer. The Issuer is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Series 2014A Bonds or as set forth in this Official Statement. No assurance can be given that the CUSIP numbers for the Series 2014A Bonds will remain the same after the date of issuance of the Series 2014A Bonds.

FINANCIAL ADVISOR

The City has retained Springsted Incorporated, Public Sector Advisors, of St. Paul, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Series 2014A Bonds. The Financial Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2014A Bonds.

VERIFICATION OF ESCROW

The accuracy of the mathematical computations of: (a) the adequacy of cash and certain Escrowed Securities to be held by the Escrow Agent pursuant to the Escrow Agreement, together with the interest to be earned thereon, to pay the principal of, premium if any, and interest due and to become due on the Refunded Bonds to and including the applicable optional redemption date or date of final maturity, and (b) certain yield calculations relating to the Series 2014A Bonds and the Escrowed Securities made in accordance with Code § 148, will be verified by Robert Thomas CPA, LLC, Shawnee Mission, Kansas. Such verification of the accuracy of such mathematical computations will be based upon information supplied by the Financial Advisor and on interpretations of the Code provided by Bond Counsel.

UNDERWRITING

The Series 2014A Bonds have been sold at public sale by the Issuer to Morgan Stanley & Co., LLC, New York, New York (the "Original Purchaser") on the basis of lowest net interest cost. The Original Purchaser has agreed to purchase the Series 2014A Bonds at a price equal to the principal amount of the Series 2014A Bonds, plus accrued interest from the Dated Date to the Issue Date, plus a premium of \$4,798,138.99.

Simultaneously with the delivery of the Series 2014A Bonds, the Original Purchaser will certify to the Issuer that the Series 2014A Bonds will be offered to the public initially at the price determined to produce the yield to maturity or applicable redemption date set forth on the inside cover page of this Official Statement. The Original Purchaser may offer and sell the Series 2014A Bonds to certain dealers (including dealers depositing the Series 2014A Bonds into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Original Purchaser may overallocate or effect transactions which stabilize or maintain the market price of the Series 2014A Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

MISCELLANEOUS

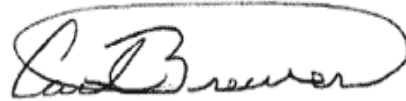
References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement, they will be furnished on request. So far as any statements are made in this Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The agreement of the Issuer with the owners of the Series 2014A Bonds is fully set forth in the Series 2014A Bond Resolution, and neither any advertisement for the Series 2014A Bonds or this Official Statement is to be construed as constituting an agreement with any owner of the Series 2014A Bonds. A summary of the Series 2014A Bond Resolution is set forth in **APPENDIX C – SUMMARY OF FINANCING DOCUMENTS**; a complete copy is on file in the office of the City Clerk.

APPROVAL OF OFFICIAL STATEMENT

This Official Statement, and the lawful distribution thereof, was duly approved by the City's Governing Body on July 15, 2014. Authorization to lawfully redistribute this Official Statement is hereby given, but this entire Official Statement, and not portions hereof, must be redistributed.

CITY OF WICHITA, KANSAS

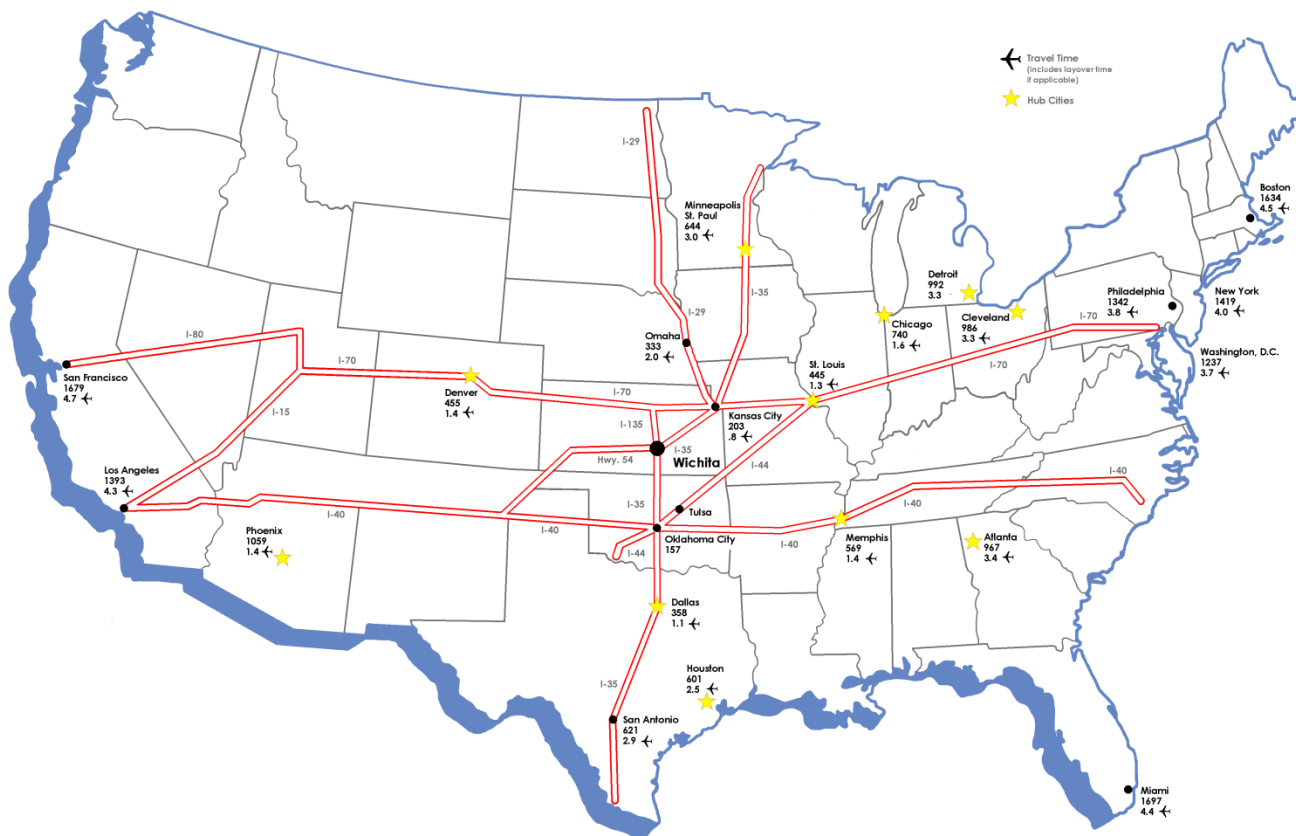
A handwritten signature in dark ink, appearing to read "Carl Brewer", enclosed within a large, hand-drawn oval.

By _____
Carl Brewer, Mayor

By: _____
Shawn Henning, Director of Finance

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GENERAL INFORMATION



A-1

government. Effective April 14, 1987, the title "City Commission" was changed to "City Council" and instead of being elected at-large, five council members were nominated by district and elected at-large. In November 1988, Wichita voters approved a referendum to elect a five-member City Council by pure district elections and a full-time Mayor by city-at-large elections. On February 10, 1989, Charter Ordinance 115 was adopted and provided for the five council member seats to be increased to six by subdividing the City into six districts based on the 1990 Census. The six Council members and the Mayor serve four-year terms with the Council members' terms being overlapping. The City Council and Mayor conduct all legislative functions for the City of Wichita and establish general policies, which are executed by the City Manager.

Employees

Total authorized positions for 2014³ for the City of Wichita are as follows:

<i>Locally Funded</i>		<i>Nonlocally Funded</i>	
Full-Time*	Full-Time Equivalents*	Full-Time*	Full-Time Equivalents*
3,013	3,090	108	3,198

*Total Employees

Kansas law prohibits strikes by public employees and provides procedures for the resolution of disputes. In the event an agreement cannot be reached between the City and a public employees union, an impasse is declared. Upon declaration of an impasse in the negotiations, the State's Public Employee Relations Board appoints an independent arbitrator. The arbitrator's recommendations are not binding upon the parties to the negotiations, and all contracts must be approved by the City Council.

Industry

Wichita is a manufacturing city with a diverse economic base. The approximately 675 Wichita metropolitan area manufacturers⁴ produce a wide variety of products from computers to aircraft. Nearly 83 percent of all manufacturing establishments are small firms employing fewer than 50 workers.⁵ Local aircraft companies are important to the economic mix in Wichita and combine to produce a significant number of the world's general aviation and commercial aircraft. Service-related firms, particularly regional health care firms, are also an important sector for Wichita's long-term growth. These strengths, combined with a skilled labor force and the City's central location, establish Wichita's prominence as a regional market.

Largest Industries by Employment: Wichita Metro Area⁶

Industr	Annual Average 2011	Annual Average 2012	Percent of 2012 Total
Total employment, all industries	276,166	278,286	100.0%
Aerospace product and parts manufacturing	30,174	30,546	11.0%
Local	29,168	29,233	10.5%
Food services and drinking places	21,586	21,865	7.9%
Administrative and support services	16,924	16,919	6.1%
Ambulatory health care services	13,476	13,862	5.0%
Hospitals	10,243	10,052	3.6%
Professional and technical services	9,249	9,229	3.3%
Specialty trade contractors	8,329	8,641	3.1%
Nursing and residential care facilities	7,515	7,677	2.8%
General merchandise stores	6,757	6,656	2.4%

³Source: City of Wichita 2014-2015 Adopted Budget, p. 331.

⁴Source: U.S. Department of Commerce, Bureau of the Census, "2011 MSA Business Patterns, NAICS."

⁵Source: U.S. Department of Commerce, Bureau of the Census, "2011 MSA Business Patterns, NAICS."

⁶Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, total employment includes private industry and government. Annual average employment for general merchandise stores in the Wichita metro area in 2011 was estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Largest Employers Wichita Metro Area⁷

Company

1. Spirit AeroSystems, Inc.
2. McConnell Air Force Base
3. Via Christi Health
4. USD 259 Wichita
5. Cessna Aircraft Co.
6. State of Kansas
7. Bombardier Learjet
8. Beechcraft Corp.
9. City of Wichita
10. Koch Industries Inc.

Aircraft Manufacturing

Wichita has a rich history in aviation and has one of the highest concentrations of aircraft manufacturing in the world. The local aircraft companies have a diversified mix between military, commercial and general aviation products and services, which are supported by divisions specializing in research and development, new production, modernization (refurbishing), training, subcontract work and computer services.

Agriculture

The *South Central Kansas Farm, Crop, and Livestock District*, which includes Wichita, lies in the heart of the winter wheat belt. In 2012, Kansas ranked first in the nation in wheat exports, with a value of \$1.3 billion. That same year, the state ranked third in beef and veal exports, as well as exports of hides and skins, for a total value of \$960.8 million.⁸ By virtue of being Kansas' largest city and transportation hub, Wichita plays an important role in the agricultural and agri-related business sector.

Petroleum

Wichita is located near the center of the mid-continent petroleum field. Even though the petroleum industry is a small portion of the total economy, Wichita is the headquarters for several companies engaged in oil and natural gas production and industrial oil and grease manufacturing. Koch Industries, one of the largest privately held companies in the United States, performs a variety of petroleum-related manufacturing and transportation activities throughout the world from its Wichita headquarters.

Medical Care

First class medical care is the standard in Wichita's medical community. Because of a heavy emphasis on research and training, Wichita has emerged as a nationally recognized, state-of-the-art health care center. The Wichita MSA⁹ (Metropolitan Statistical Area) boasts 19 acute care and freestanding specialty hospitals, providing the community with approximately 2,800 licensed beds. There are approximately 125 nursing homes and assisted living facilities, more than 1,250 physicians and approximately 275 dentists in the five-county area. The health care and social assistance industry employs 38,900 people in the MSA.¹⁰ In addition, there are several research institutions in the area. Numerous health care and specialty clinics provide comprehensive patient care and same-day surgery. There are at least six emergency centers in the Wichita area that provide medical care with no appointments and offer extended hours. Several medical referral services and a complete 911 emergency medical service are available throughout Sedgwick County.

Cultural and Recreational Facilities

Wichita has developed into a civic center that offers many cultural and recreational opportunities. The Wichita Center for the Arts, Whittier Fine Arts Gallery, Edwin A. Ulrich Museum of Art and the Wichita Art Museum all house fine art collections. Quality theater groups such as the Wichita Community Theater, Music Theater of Wichita, Wichita Children's Theater and Dance Center, and Music Theater for Young People visit the Wichita stages throughout the year. Diverse museums such as

⁷Source: Wichita Business Journal's Book of Lists, December 27, 2013.

⁸Source: U.S. Agricultural Exports, Commodity Detail by State, U.S. Department of Agriculture, Economic Research Service.

⁹The Wichita MSA is comprised of Butler, Harvey, Kingman, Sedgwick and Sumner counties. This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013.

¹⁰Source: Kansas Department Of Labor, Current Employment Statistics data, March 2014. Employment number is for the four-county MSA.

the Wichita/Sedgwick County Historical Museum, the Mid-America All-Indian Center, the Old Cowtown Museum, the Kansas Aviation Museum, the Museum of World Treasures, the Kansas Sports Hall of Fame, and the Kansas African American Museum reveal their perspectives of the past.

Exploration Place, the Sedgwick County science and discovery center, celebrated its 10th anniversary in 2010. Its permanent and traveling exhibits, summer camps and Wichita Regional Science and Engineering Fairs encourage a deeper interest in science for all ages. The Wichita Art Museum celebrated an anniversary in 2010, as well. As the largest art museum in the state of Kansas, 2010 was its 75th year of preserving, collecting and promoting art.

Built in 1969, Century II is the performing arts and convention headquarters downtown. On March 26, 2013, the Wichita City Council authorized \$1.91 million in capital improvements to convention space at Century II. Another venue, the downtown INTRUST Bank arena, opened its doors to the public on January 2, 2010. On March 16, 2012, the arena hosted its 1 millionth guest. In Pollstar Magazine's 2013 Third Quarter Top 200 Arena Rankings, INTRUST Bank Arena ranked 33rd busiest based on tickets sold for shows that played in the first three quarters of 2013.¹¹

Recreational opportunities abound in and around Wichita. Inside the city are 127 municipal parks and public open spaces covering more than 4,900 acres. The Lake Afton Observatory features astronomy displays and space-related phenomena. Botanica, the Wichita Gardens, is the city's living museum of plants and flowers. The Sedgwick County Zoo is nationally acclaimed in natural habitat design and has become one of the top zoos in the world. The city's compact size allows minimal travel time (average 30 minutes) to outlying areas with open prairie and lakes.

The American Association of Independent Professional Baseball voted the Wichita Wingnuts baseball team the 2010 Organization of the Year. Professional hockey, indoor football and indoor soccer are additional sports attractions in the Wichita area. The twin-sheet ice skating arena, Wichita Ice Center, is available for public skating, as well as figure skating, hockey lessons and league play. Wichita has five City-owned golf courses, two other golf courses for public play and four membership-only courses.

Water sports and fishing are available on two federal reservoirs and one county lake that are within 30 minutes of Wichita. Additionally, eighteen recreational areas are within a 200-mile radius of the City. Because Wichita lies within the central waterfowl flyway, huge flocks of waterfowl are a common sight in our area during the spring and fall. Deer, pheasant, quail, wild turkey and ducks are just a few examples of wild game that may be hunted in the area.

Public Air Transportation

Wichita Mid-Continent Airport, the largest commercial air carrier and general aviation complex in Kansas, provides accommodations for all aircraft. Mid-Continent Airport's campus of 3,300 acres is home to more than 65 tenants including air cargo; general aviation businesses; airport concessions (restaurants, hotel, ground transportation); rental car companies; fixed-base operators; corporate hangars; government, including control tower, weather services, Federal Aviation Administration, and the Transportation Security Administration; and two aircraft manufacturers.

Col. James Jabara Airport, a general aviation airport, consists of 855 acres and includes a 6,100-foot runway, an instrument landing system, associated taxiways and aprons, four corporate hangars, as well as a first-class fixed base operation complete with T-hangar storage.

Jabara is also home for the National Center for Aviation Training (NCAT), which is located just north of the airport's campus. NCAT is a first-rate training facility focusing on general aviation manufacturing and aircraft and power plant mechanics. NCAT was made possible by the following funding sources: Sedgwick County, the State of Kansas, the U.S. Economic Development Association, the U.S. Small Business Administration, and the U.S. Department of Housing & Urban Development. The Wichita Area Technical College (WATC) serves as the managing partner for the Center, collaborating with Wichita State University's National Institute for Aviation Research (NIAR), to provide industry-driven training courses.

The local share of financing major improvements has been derived from the sale of general obligation bonds and passenger facility charges. These bonds have either been retired or are currently being repaid from airport revenues. Federal grants, general obligation bonds, and passenger facility charges, along with airport revenues, will finance the majority of planned improvements.

Passenger service in Wichita is available through the following airlines – Allegiant Air, American Airlines, Delta Air Lines,

¹¹INTRUST Bank Arena Ranks 33rd Busiest Arena in the United States, News & Updates, INTRUST Bank Arena, www.intrustbankarena.com/news.asp?id=10, Oct. 11, 2013.

Seaport Airlines, Southwest Airlines and United Airlines. In June 2013, Southwest Airlines began service. In June 2014, Seaport Airlines began service between Great Bend and Wichita. Four major carriers, DHL, Federal Express, UPS Supply Chain Solutions, and UPS, provide cargo service.

General aviation is served by specialized retailers who provide aircraft related accessories, service, rental, storage and flight training. Since its inception, the Wichita Airport System, consisting of both Mid-Continent Airport and Colonel James Jabara Airport, has been operated and developed without local tax support.

In May 2010, Wilbur Smith Associates, Inc., with assistance from Burns & McDonnell, completed the *Kansas Aviation Economic Impact Study* for the Kansas Department of Transportation's Division of Aviation. That study revealed that Wichita Mid-Continent Airport and Col. James Jabara Airport contributed approximately \$5.6 billion to the Kansas economy in 2009 from total combined output (direct, indirect and induced) related to on-airport activities, government tenants, visitor spending and payroll spending. The number of jobs resulting from the two airports' activities totaled 23,051, with total payroll of more than \$1.2 billion.

The Wichita City Council decided in June 2011 to move forward with a new terminal at Wichita's Mid-Continent Airport. Groundbreaking began in October 2012, with the expected opening in the spring of 2015. In 2011, the proposed terminal won the "Gold Award in the Unbuilt Category" from the International Interior Design Association, an organization that strives to enhance quality of life by encouraging excellence in design. Construction of a parking garage began in early 2013 and is expected to be completed prior to the opening of the new terminal.

Military Installations

McConnell Air Force Base borders southeast Wichita. The host unit is the 22nd Air Refueling Wing flying KC-135 Stratotankers, supporting worldwide air-to-air refueling and airlift. McConnell is a total force base, housing tenant units, which include the Air Force reserve's 931st Air Refueling Group and the Air National Guard's 184th Intelligence Wing. McConnell has 3,133 active-duty personnel, and total force strength of 6,731 active, guard, reserve and civilian personnel. The total impact of McConnell Air Force Base on the local economy in fiscal year 2013 was \$551.6 million, within a 50-mile radius of the base.¹² In May 2013, McConnell Air Force Base was selected as the preferred alternative main operating base for the KC-46A tanker. On April 23, 2014, Air Force officials announced that McConnell AFB had been selected as the first active duty led KC-46A Pegasus main operating base, clearing the way to receive 36 KC-46A aircraft.¹³

Education Institutions

The City of Wichita is served by eight unified school districts (USDs). USD 259 Wichita Public Schools, the largest district in the area, operates approximately 85 schools, including elementary, middle and high schools, as well as alternative, magnet and special schools. In fall 2013, Wichita USD 259 had its highest enrollment since 1975, with a total of 51,169 students.

The \$370 million bond issue approved in 2008 has been used to complete or begin construction on 56 projects, including six new schools. Seventy-one percent of the projects have been completed.

In addition to the public schools, there are dozens of private and parochial schools serving preschool through high school students, as well as those needing special education. Post-secondary educational opportunities abound, including numerous private and public technical education institutions.

Twelve colleges and universities in the local area serve Wichita, including Wichita State University, University of Kansas School of Medicine, Friends University and Newman University.

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¹²McConnell AFB, 22nd Air Refueling Wing, *2013 Economic Impact Analysis*.

¹³McConnell AFB, <http://www.mcconnell.af.mil/news/story.asp?id=123408336>, Apr. 23, 2014.

ENROLLMENT FIGURES

School Year	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
USD 259 ¹⁴						
High School	12,408	12,339	12,330	12,493	13,657	12,771
Middle School	10,267	10,217	10,181	9,951	9,944	9,588
Elementary	26,243	25,915	25,476	25,355	23,690	24,926
Other ¹⁵	2,251	2,168	2,116	2,234	2,367	1,861
Total	51,169	50,639	50,103	50,033	49,658	49,146
PAROCHIAL ¹⁶						
Total	8,116	8,228	8,223	8,355	7,775	5,335
UNIVERSITIES ¹⁷						
Wichita State University	14,550	14,898	15,100	14,806	14,823	14,612
Friends University	2,178	2,500	2,905	2,986	2,853	2,801
Newman University	3,736	3,108	3,021	2,746	2,557	2,435

Growth

Increases in land area and in the number and size of manufacturing firms have contributed to the City's growth. This growth is reflected in annexations that have increased the City's total land area from 22 square miles in 1940, to 163 square miles in 2013. World War II, with its enormous demand for aircraft production, brought about a 50 percent increase in the City's population. Continued diversification of industry since then, mixed with abundant resources and a skilled labor force, have contributed to economic growth in the area.

Demographic Trends

The metropolitan statistical area (MSA) includes Butler, Harvey, Kingman, Sedgwick and Sumner counties.¹⁸ Its 2013 population totaled 637,394.¹⁹ Sedgwick County represents the largest portion of the area's population with an estimated 505,415 residents in 2013.²⁰

The city's population density has decreased by nearly 50 percent in the past few decades. Today there are approximately 2,366 persons per square mile in Wichita, compared to 4,625 per square mile in 1960 when growth within the city limits peaked. The trend of perimeter growth and the associated increase in demand for local government services is expected to continue for Wichita. In recent years, the majority of population and housing growth has occurred along the far west/northwest and far east/northeast peripheries of the city, and into the unincorporated portions of the county.

The racial and ethnic composition of Wichita's population is comparable to that of the nation. However, Wichita's population is somewhat younger than the U.S. population, as a whole. The median age in the City of Wichita is 35.1 years, older than Sedgwick County's median age of 34.5 years, but younger than the nation's 37.4 years. Among Wichita's population 25 years and over, 88.4 percent are high school graduates and 28 percent have a bachelor's degree or higher.²¹

In 2012, the estimated median household income in Wichita was \$43,776 and the estimated per capita income was \$24,461.²² The number of families living in poverty totaled 12,434 (about 13.1 percent of families in Wichita).²³

¹⁴Fall enrollment numbers from USD 259. Elementary includes grades K through 5, middle school includes grades 6 through 8 and high school includes grades 9 through 12.

¹⁵Other refers to special school enrollment.

¹⁶Parochial fall enrollment figures furnished by the Catholic School Office (7,182 for all of Sedgwick County, excluding Pre-K, and 934 for Wichita Collegiate School, including two years old through high school).

¹⁷Fall enrollment numbers.

¹⁸This metropolitan statistical area delineation was issued by The Office of Management and Budget in February 2013. At that time, Kingman County was added to the Wichita MSA.

¹⁹Source: U.S. Census Bureau, 2013 Metropolitan Statistical Area Population Estimates.

²⁰Source: U.S. Census Bureau, 2013 County Population Estimates.

²¹Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

²²Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

²³Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates.

Population Growth Trends

Year	City of Wichita	Percentage Change	Sedgwick County	Percentage Change
1950	168,300		222,300	
1960	254,700	51.3%	343,200	54.4%
1970	276,600	8.6%	350,700	2.2%
1980	279,300	1.0%	367,100	4.7%
1990	304,000	8.8%	403,700	10.0%
2000	344,300	13.3%	452,900	12.2%
2010	382,368	11.1%	498,365	10.0%

Source: U.S. Bureau of the Census, *Population of the 100 Largest Cities and Other Urban Places in the United States: 1790 to 1990*, Working Population Paper No. 27, 2000 and 2010 population counts from the respective decennial census.

Age Distribution

	City of Wichita	Percent of Total	Sedgwick County	Percent of Total	Wichita MSA*	Percent of Total
Under 5 years	30,858	8.0%	39,274	7.8%	46,864	7.5%
Age 5 to 9	27,607	7.2%	38,587	7.7%	45,998	7.3%
Age 10 to 14	25,309	6.6%	35,886	7.1%	46,349	7.4%
Age 15 to 19	26,494	6.9%	35,025	7.0%	44,732	7.1%
Age 20 to 24	28,044	7.3%	35,397	7.0%	42,909	6.8%
Age 25 to 29	29,690	7.7%	36,784	7.3%	43,349	6.9%
Age 30 to 34	24,678	6.4%	34,264	6.8%	40,836	6.5%
Age 35 to 39	23,906	6.2%	30,737	6.1%	38,951	6.2%
Age 40 to 44	23,521	6.1%	30,233	6.0%	37,695	6.0%
Age 45 to 49	24,292	6.3%	31,745	6.3%	40,207	6.4%
Age 50 to 54	27,377	7.1%	35,776	7.1%	45,233	7.2%
Age 55 to 59	24,768	6.4%	32,206	6.4%	42,075	6.7%
Age 60 to 64	21,566	5.6%	27,158	5.4%	33,880	5.4%
Age 65 to 69	16,966	4.4%	21,163	4.2%	26,386	4.2%
Age 70 to 74	9,640	2.5%	12,597	2.5%	16,334	2.6%
Age 75 to 79	7,326	1.9%	10,582	2.1%	14,450	2.3%
Age 80 to 84	6,555	1.7%	8,566	1.7%	10,680	1.7%
Age 85 and older	6,863	1.8%	8,432	1.7%	11,399	1.8%
Total population all ages	385,586	100.0%	503,889	100.0%	628,242	100.0%
Median Age (years)	35.1		34.5		35.3	

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates. Columns may not sum to totals due to rounding.

*The Wichita MSA includes Butler, Harvey, Sedgwick and Sumner counties. In February 2013, Kingman County was added to the Wichita MSA; however, Kingman County population by age has not been added to the Wichita MSA in this table because it is not available in 2012 American Community Survey 1-Year Estimates.

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Economic Outlook²⁴

Introduction²⁵

Employment in Wichita and the rest of the United States has remained relatively stable in the wake of the 2008 recession. Both Wichita and the United States experienced modest employment growth in 2013. National employment grew by 1.7 percent in 2013, and Wichita employment grew 1.2 percent over the same time period.

The economy should continue a modest but steady recovery in 2014. A fast recovery to pre-recession levels of employment, with above average growth, should not be expected. Even the slow recovery has several potential risks that could further reduce growth. Downturns from our major trading partners abroad, tightening monetary policy, new regulation and further fiscal austerity could all darken our outlook for 2014.

Total nonfarm employment is expected to increase by 3,565 jobs in 2014, for a growth rate of 1.2 percent. Production sectors are projected to contract by 433 jobs, or 0.6 percent, with durable goods manufacturing contracting at 2.6 percent. Trade, transportation, and utilities will grow by 593 jobs, or 1.2 percent. The service sectors will provide most of the job growth for Wichita, adding 3,006 jobs, or 2.3 percent. The professional and business services sector will add 1,517 jobs, and the education and health services sector will add 912 jobs. The government sector will grow at 1.0 percent.

Economic Indicators

Wichita Income and Retail Sales

Per capita personal income in the Wichita MSA increased 3.6 percent from 2011 to 2012. This was reflected in the 3 percent increase of real taxable retail sales in 2012. Real taxable retail sales increased 2.4 percent in 2013 and are forecast to increase 0.9 percent in 2014.

Consumer Confidence and Expectations

The national Index of Consumer Confidence experienced an upward trend from 2010 through 2013, with the annual average increasing 9.3 Index points in 2010, 3.7 Index points in 2011, 8.9 Index points in 2012, and 6.1 Index points in 2013. The national Index of Consumer Expectations increased 14.3 Index points in 2010, followed by a moderate decrease of 0.9 Index points in 2011. In 2012, the Index rebounded by 5.8 Index points.

Nationally and locally, the retail trade sector has benefited from these upswings in consumer confidence and expectations. The value of new car output has been on the rise, gaining 58 percent from 2009 through 2013. Increased car sales have had a positive impact on three local car dealerships that have begun or completed new facilities since early 2012.

New national and regional retailers have moved into the Wichita area since early 2012, including The Fresh Market, Marshalls, and Academy Sports & Outdoors. Other retailers, such as Walmart and CVS pharmacies have increased their presence in Wichita, opening additional stores. Construction was recently completed on a new Hobby Lobby store in east Wichita.

Wichita Wages

The recent recession impacted total wages in the Wichita MSA significantly in 2009 with a decrease of 5.7 percent, which was followed by another decline of 1.9 percent in 2010. It was 2011 before total wages began to rebound, with a 3 percent increase that year and another 3.3 percent increase in 2012. Data from the first three quarters of 2013 show that wages over that period increased by 2.6 percent, compared to the first three quarters of 2012.

Labor Market

The Wichita MSA had an average unemployment rate of 7.9 percent in 2011, which dropped 1.0 percentage point to 6.9 percent in 2012. It fell another 0.7 percentage points to 6.2 percent in 2013. The City of Wichita had higher unemployment over this time period than the MSA, but followed a similar pattern. In 2011, the city had an average unemployment rate of 8.7 percent. In 2012, it fell 0.8 percentage points to 7.5 percent and fell further to 6.6 percent in 2013.

²⁴Sources: Wichita State University, W. Frank Barton School of Business, Center for Economic Development and Business Research. See their home page at <http://www.cedbr.org> for the latest economic indicators.

²⁵Throughout this section, unless otherwise noted, the data presented are for the Wichita MSA (Metropolitan Statistical Area), which includes Butler, Harvey, Sedgwick and Sumner counties.

The total civilian labor force in 2013 for the four-county Wichita MSA was 301,192 people. Of that total, 282,453 were employed. In Wichita, the 2013 civilian labor force numbered 185,428 people, and 173,234 of them were employed.

Housing and Construction

In 2012 in Wichita, the value of building permits experienced a large decline. While the value of residential permits grew by 41.8 percent, the value of non-residential permits declined by 41.4 percent. Overall this meant the value of building permits fell by 22.3 percent in 2012. In 2013, the overall value of building permits had stronger growth, growing 27.6 percent. The value of residential permits grew by 45.6 percent, and the value of nonresidential permits grew by 14.7 percent. The Center for Economic Development and Business Research (CEDBR) forecasts that, for 2014, the value of residential permits will increase by 26.4 percent, and the value of nonresidential permits will increase by 16.2 percent. This implies the overall value of building permits will increase by 21.1 percent.

As a result of the most recent downturn, Wichita area home prices declined 0.9 percent in 2011 and 0.7 percent in 2012. Stanley Longhofer, director of the WSU Center for Real Estate, forecasts that home prices in Wichita will increase 1.5 percent in 2013 and another 2.2 percent in 2014. In his forecast, Longhofer goes on to say that home sales have risen for three consecutive years and are on pace to rise by 12.5 percent in 2013, the largest year-over-year gain on record. He expects this trend to continue into 2014, with sales rising another 2.5 percent.²⁶

Overall, natural resources, mining and construction employment is expected to increase 5.1 percent, or 760 jobs in 2014.

Manufacturing

More workers are employed in the manufacturing sector than any other sector in the Wichita MSA. Approximately 85.9 percent of those workers manufacture durable goods, with aerospace products and parts being the largest component of the durable goods manufactured. Aerospace products and parts jobs represent about 56.5 percent of all manufacturing jobs in the Wichita area.

The manufacturing sector in the United States lost approximately 1.7 million jobs between 2008 and 2011, for a 12.5 percent decline. During that same period, the Wichita MSA lost 15,300 manufacturing jobs, for a 22.7 percent decline. The nation began its rebound in 2011; however, Wichita did not gain jobs back until 2012, when 800 jobs were added, for a 1.5 percent increase over 2011.

Manufacturing news has been mixed in Wichita the past year. Challenges have included layoffs, divestiture of assets, reorganization, and efforts to keep up with demand. The good news includes the first international delivery of the new Cessna TTx; a 47 percent increase in Beechcraft Corp. deliveries for the first three quarters of 2013, year-over-year; the rollout of the first forward fuselage for the new KC-46 refueling tanker by Spirit AeroSystems; and the addition of the Challenger 350 business aircraft by Bombardier.

Overall, manufacturing is expected to decrease 2.3 percent, or nearly 1,200 jobs in 2014. Almost all of the job losses are expected to occur in the durable goods manufacturing sector.

Trade, Transportation and Utilities

Wholesale trade declined by 116 jobs in 2013, followed by an expected increase of 67 jobs, or 0.7 percent, in 2014. Retail trade increased by 600 jobs in 2013 and is forecasted to increase by 403 jobs, or 1.3 percent, in 2014. Transportation and utilities employment gained 198 jobs in 2013 and is expected to continue to grow by adding 123 jobs in 2014, for a growth rate of 1.4 percent.

Information Services

The information industry, at both the local and national levels, has been on a downward trend. In 2008, there were 6,600 filled information positions in the Wichita MSA. By the end of 2013, the industry had lost 2,300 jobs, for a 35 percent decline. A similar pattern occurred at the national level. Employment peaked at 3.6 million jobs in 2000, but declined to 2.7 million by the end of 2011, a 26 percent loss. National employment in information services remained relatively constant in 2012 and 2013.

Information services are expected to stop their decline in 2014 in the Wichita MSA. CEDBR estimates an increase of 86 jobs, about a 2 percent increase, after a loss of 191 jobs in 2013.

²⁶ Longhofer, Stanley, 2014 Kansas Housing Markets Forecast: Wichita Housing Forecast, Center for Real Estate, W. Frank Barton School of Business, Wichita State University.

Financial Services

The financial industry in the Wichita MSA lost 2,500 jobs from 2001 through 2012, for a 19 percent decline. The banking sector has not yet seen an improvement in employment since the recession and financial crisis. Within the banking industry there is cautious optimism, but there will likely be more bank consolidation in the Midwest, driven by continuing compliance issues.

Financial activities employment remained stable in 2013, and CEDBR estimates the sector will continue on that path, losing only a few jobs, for a loss of perhaps 0.2 percent in 2014.

Professional and Business Services

In the Wichita area, there are approximately 2,700 firms in the professional and business services sector, most of which have fewer than 10 employees. The sector reached its previous employment peak of 31,300 employees in 2008, followed by an 8.3 percent dip in 2009. By the end of 2013, the industry had regained all of the jobs lost, for a new peak of 31,500 jobs. An increase of 1,517 jobs is expected for 2014, which is a 4.8 percent increase.

Educational and Health Care Services

Education employment represents 12 percent of the education and health care industry, while health care employment composes the other 88 percent. From 2000 through 2013, Wichita employment grew 22 percent in this industry. Of the health care employment, 26 percent is in the hospital industry. This growth can be attributed, to some degree, to continued population growth in the Wichita MSA, which totaled a 10 percent increase from 2000 through 2013.

Trends in health care include increased regulation, improvements in technology, uncertainty about the Affordable Care Act and an aging population that is increasing the demand for services. The one thing the industry can count on will be change, whether it comes as a result of policy, the economy, or demographics.

Overall, education and health care employment is forecast to increase 2.1 percent, or approximately 900 jobs, in 2014.

Leisure and Hospitality Services

Economic indicators for the travel and tourism industry are sending somewhat mixed messages. Transient guest taxes increased 12.8 percent in the 12 months ending in March 2014 compared to the previous 12 months. The total number of outbound passengers at Wichita's Mid-Continent Airport increased 0.7 percent for the 12 months ending in February 2014 compared to the prior 12 months, and the hotel occupancy rate increased 2.7 percentage points for the 12 months ending in January 2014 compared to the prior 12 months.

Button sales for the 2013 Wichita Riverfest were up 38 percent from the 2012 event. The 104,000 buttons sold was the largest number since the 2008 festival.²⁷

Venues Today, an international trade publication that ranks entertainment and sports venues, ranked Wichita's Intrust Bank Arena first in the Midwest region based on ticket sales from January 1 through December 31, 2013, for arenas with 10,001 to 15,000 seats.

Leisure and hospitality employment increased 3 percent, or 850 jobs, in 2013. Continuing growth of 1.4 percent is expected in 2014, for an increase of more than 400 jobs.

Other Services

Employment in other services reached a peak of 12,000 workers in 2004. By the end of 2012, the industry had lost 1,300 jobs, for a 10.8 percent decline. Employment increased by nine jobs in 2013, a 0.1 percent increase. For 2014, other services employment is projected to grow by 0.9 percent, adding 91 jobs.

Government

Aside from agricultural employment, government sector employment is the most difficult economic variable to predict, since employment decisions often rely on variables other than economic relationships.

Government employment reached a peak of 41,800 workers in 2010, followed by a 2.9 percent decrease, or 1,300 jobs, over the next three years. CEDBR forecasts an increase of 399 jobs in 2014, for an addition of 1 percent.

²⁷Community Embraces Reinvigorated Riverfest, Wichita Festivals Inc., www.wichitariverfest.com/riverfest_info.php?page=news-media_news, July 25, 2013.

Wichita MSA Forecast Summary

Wichita MSA Employment by Industry Summary*					2013-2014 Percent Change
	2012 (a)	2013 (a)	2014 (f)	2013-2014 Level Change	
Total Nonfarm	285,511	288,814	292,380	3,565	1.2%
Production Sectors	67,390	67,557	67,125	-433	-0.6%
Natural Resources, Mining & Cons.	14,592	15,016	15,776	760	5.1%
Manufacturing	52,798	52,542	51,349	-1,193	-2.3%
Durable Goods	45,332	45,159	43,998	-1,161	-2.6%
Non-Durable Goods	7,466	7,383	7,351	-32	-0.4%
Trade, Transportation & Utilities	49,945	50,618	51,211	593	1.2%
Wholesale Trade	9,440	9,324	9,391	67	0.7%
Retail Trade	31,610	32,200	32,603	403	1.3%
Transportation & Utilities	8,895	9,093	9,216	123	1.4%
Service Sectors	127,463	130,073	133,078	3,006	2.3%
Information	4,467	4,276	4,362	86	2.0%
Financial Activities	10,543	10,534	10,517	-17	-0.2%
Professional & Business Services	29,837	31,534	33,050	1,517	4.8%
Education & Health Services	43,522	43,777	44,689	912	2.1%
Leisure & Hospitality	28,429	29,277	29,694	417	1.4%
Other Services	10,666	10,675	10,766	91	0.9%
Government	40,713	40,567	40,966	399	1.0%
*Annual values are derived from average quarterly observations and projections.					
(a) actual (f) forecasted					

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APPENDIX B

AUDITED FINANCIAL INFORMATION

[TO BE SUPPLIED BY FINANCE DEPARTMENT]

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

[SEE SEPARATE ATTACHMENT]

APPENDIX D

FORM OF BOND COUNSEL OPINION

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

[August 1, 2014]

Governing Body
City of Wichita, Kansas

[Purchaser]
[City, State]

Re: Water and Sewer Utility Refunding Revenue Bonds, Series 2014A, of the City of Wichita, Kansas,
Dated August 1, 2014

We have acted as Bond Counsel in connection with the issuance by the City of Wichita, Kansas (the “Issuer”), of the above-captioned notes (the “Series 2014A Bonds”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer prescribing the details of the Series 2014A Bonds.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is a city of the first class with power to adopt the Series 2014A Bond Resolution, perform the agreements on its part contained therein, and issue the Series 2014A Bonds.
2. The Series 2014A Bonds have been duly authorized, executed and delivered by the Issuer and are valid and legally binding special obligations of the Issuer.
3. The Series 2014A Bonds are payable solely from the Net Revenues derived by the Issuer from the Issuer’s Water and Sewer Utility (the “Utility”). The Series 2014A Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision, limitation or restriction. The taxing power of the Issuer is not pledged to the payment of the Series 2014A Bonds.
4. The Series 2014A Bond Resolution has been duly adopted by the Issuer and constitutes a valid and legally binding obligation of the Issuer enforceable against the Issuer. The Series 2014A Bond Resolution creates a valid lien on the Net Revenues pledged by the Series 2014A Bond Resolution for the security of the Series 2014A Bonds on a parity with any Parity Indebtedness issued or to be issued, as provided in the Series 2014A Bond Resolution.
4. The interest on the Series 2014A Bonds [(including any original issue discount properly allocable to an owner of a Series 2014A Bond)] is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Series 2014A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Series 2014A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2014A Bonds. The Series 2014A Bonds have **not** been designated as “qualified tax-exempt obligations” for purposes of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Series 2014A Bonds.
5. The interest on the Series 2014A Bonds is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2014A Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding the perfection or priority of the lien on the Net Revenues or other funds pledged under the

Series 2014A Bond Resolution or tax consequences arising with respect to the Series 2014A Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Series 2014A Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.